



USAID | MACEDONIA

ACCELERATED ECONOMIC GROWTH

2010



USAID helps private enterprises gain the know-how and financing to expand their businesses.

USAID Selected Results 1993-2010 Economic Growth

- Assisted in creating the Public Procurement Training Center
- Helped establish the Macedonia Human Resources Association
- Supported the creation of the plastic recycling industry in Macedonia
- Played a key role in Macedonia's joining the WTO in 2003
- Launched the establishment of a single window for export and import
- Coordinated successful pension reform
- Helped to design Macedonian first Treasury Securities Market
- Increased exports by 40 percent for assisted wine companies
- Established a Seal of Quality in Agriculture

OVERVIEW

Since independence in 1991, Macedonia's economy moved steadily forward, reaching GDP growth at 4.8 percent in 2008, but had a significant decline to -0.7 percent in 2009 as a result of the global financial crisis. The economy has yet to show sufficient progress for full integration in the European Union and global markets. Corruption, lack of finance and unclear regulatory environment hinder private sector growth and impede investment, which in turn contributes to high unemployment. The USAID economic growth strategy is two-fold – to work on the macroeconomic level to improve the business environment and investment policy, while assisting industry sectors with increasing their competitiveness and productivity.

PROGRAMS

BUSINESS ENVIRONMENT ACTIVITY

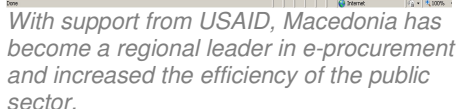
The mandate of the Business Environment Activity (BEA) is to improve the environment for conducting business in Macedonia. The project accomplishes this by facilitating public-private dialogue on economic policy issues, promoting legal and regulatory reform, improving the fiscal capacity of local government, and advancing labor policies. BEA also builds and strengthens the cadre of local experts and institutions who will continue to improve the business environment in Macedonia after the project ends.

E-GOVERNMENT PROJECT (e-Gov)

The e-Government Project increases the efficiency and transparency of the public sector by implementing secure e-government solutions and improving communication within the Government of Macedonia, and between the Government and Macedonian businesses and citizens. The project demonstrates how e-government solutions are an effective tool in combating corruption and improving government efficiency. Through this project, Macedonia is becoming a regional leader in demonstrating effective and sustainable e-government solutions.

COMPETITIVENESS PROJECT

The Competitiveness Project improves Macedonia's competitive position within the global market place. The project is demand driven and works closely with selected industry sectors to provide technical assistance to improve the productivity and technological capabilities of private enterprises and the business environments in which they operate. This results in increased private sector contributions to the Macedonian economy, employment generation and greater foreign investment flows.



USAID is supporting the wine industry to develop marketing and promotional activities to make their high quality wines more visible on foreign markets.

Economic Growth Office Director
Joseph Lessard
Tel: 011-389-2-310-2000

Local address:
USAID/Macedonia
U.S Embassy, Samoilova 21,
1000 Skopje
Republic of Macedonia

Macedonia Desk Officer
Email: Macedonia@usaid.gov
Tel: 202-712-4873

<http://macedonia.usaid.gov>

The AgBiz Program increases economic growth in Macedonia through expanded and environmentally sustainable production and sales of value-added agricultural products. The program prepares Macedonia for accession to the European Union by enabling local producers and processors to compete regionally and globally. It accomplishes this task by educating the producers about new markets, facilitating market linkages and value-added exports, and improving management and operations practices.

The SME loan guarantee facility, the first of its kind in Macedonia, provides access to working and investment capital to companies that want to expand their operations or market opportunities. The Development Credit Authority (DCA) facility is a loan portfolio guarantee program where USAID provides a 50 percent guarantee of the loan ceiling, thus sharing the risk with partner banks. USAID has partnered with two private financial institutions, UNIBANKA and NLB Leasing, who have been allocated \$5 and \$4 million of the portfolio, respectively.

The USAID grant supports CEA as an independent and unbiased think-tank that plays a key role in public policy debates and generates high quality macroeconomic analysis. Under the terms of the grant, CEA provides statistical data and reports needed for the development and implementation of USAID programs in Macedonia.

The Human and Institutional Development (HIDP) Program conducts performance assessments of key Macedonian institutions, then targets interventions to improve their effectiveness. In the Economic Growth Sector, HIDP works with the Minister's Cabinet at the Ministry of Economy, the Public Procurement Bureau, and such organizations as the ICT Chamber of Commerce (MASIT), the Macedonia Human Resources Association.

The Plastic Recycling Project created sustainable mechanisms for collection and recycling of plastic waste, boosting the new recycling industry and contributing toward exports, creating new jobs and making economic opportunities for the disadvantaged population. This activity brought Macedonia closer to compliance with European Union environmental requirements by helping develop the Law on Packaging Waste based on the “producer responsibility” principle.

Through a Global Development Alliance (GDA) grant, USAID worked closely with the Digital Media Association to develop a Digital Media Park that brings together domestic and international companies, and continues to result in the production of top quality movies while increasing local expertise.